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Date:

October 14, 2008

Legend

Parent =

a =

Country A =

Business A =

Business B =

Distributing 2 =

b =

Sub 2 =

Sub 3 =

Sub 4 =

c =

Foreign Sub 1 =

Foreign Sub 2 =

d =

Distributing 1 =

e =

f =

g =

h =

i =

j =

Foreign Sub 3 =

Foreign Sub 4 =

Country B =

Sub 5 =

Sub 6 =

Sub 7 =

Sub 8 =

Sub 9 =

k =

Foreign Sub 5 =

Country C =

I =

m =

n =

Foreign Sub 6 =

Country D =

Foreign Partnership 1 =

Country E =

Business B Asset =

o =

p =

q =

r =

Sub 10 =

Date 1 =

Date 2 =

s =

u =

v =

w =

x =

y =

Sub 11 =

Sub 12 =

Sub 13 =

Sub 14 =

Sub 15 =

Sub 16 =

Sub 17 =

Sub 18 =

Sub 19 =

Sub 20 =

Sub 21 =

Sub 22 =

State A =

z =

Sub 23 =

Sub 24 =

aa =

bb =

Foreign Partnership 2 =

Country F =

Sub 25 =

Sub 26 =

Sub 27 =

Sub 28 =

Sub 29 =

Finco =

Country G =

cc =

dd =

Business C =

ee =

ff =

gg =

hh =

ii =

jj =

kk =

ll =

mm =

nn =

oo =

pp =

New Holdco LLC =

qq =

Controlled =

Year 1 =

Month 1 =

Month 2 =

Year 2 =

rr =

Sub 30 =

Date 3 =

Dear :

This letter responds to your December 28, 2007 request for rulings as to the federal income tax consequences of a proposed transaction. The information submitted in that request and in later correspondence is summarized below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an

appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process. In particular, this office has not reviewed any information pertaining to, and has made no determination regarding, whether the proposed transaction (described below): (i) satisfies the business purpose requirement of § 1.355-2(b) of the Income Tax Regulations; (ii) is used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see § 355(a)(1)(B) of the Internal Revenue Code and § 1.355-2(d)); or (iii) is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in the distributing corporation or the controlled corporation (see § 355(e) and § 1.355-7).

SUMMARY OF FACTS

Parent is a publicly traded, Country A corporation, and the parent of a group of multinational affiliated corporations. Parent does not directly conduct any trade or business within the United States and does not file a U.S. Federal income tax return. Indirectly, Parent conducts primarily Business A and Business B both within and outside the United States. Parent owns a% of the outstanding stock, consisting of two classes of common stock, regular and Class A, in Distributing 2. In addition, Parent owns more than b% of the sole outstanding class of stock of Sub 2. The remaining shares in Sub 2 are owned by two members of the Distributing 2 Group, Sub 3 and Sub 4.

Parent also owns c% of the sole outstanding class of stock of Foreign Sub 1, and Foreign Sub 2, both of which are Country A entities classified as corporations for U.S. Federal tax purposes.

Distributing 2 owns approximately d% of the sole outstanding class of stock in Distributing 1, a member of the Distributing 2 Group. The remaining e% is owned by Foreign Sub 3, a Country A corporation, which is wholly owned by Parent. Distributing 2 and Distributing 1 are (and Controlled will be) accrual method taxpayers.

Distributing 2 also owns f% of the sole outstanding class of stock of Sub 4. Sub 4 owns g% of Foreign Sub 4, a Country B corporation that is disregarded for U.S. Federal tax purposes and that is engaged, directly or through its wholly owned foreign subsidiaries, in Business B outside the United States.

Distributing 1 owns h% of the sole outstanding class of stock of the following U.S. corporations that are also members of the Distributing 2 Group: Sub 3, Sub 5, and Sub 6. Sub 3 owns i% of the outstanding stock of Sub 7 and Sub 8, both of which are members of the Distributing 2 Group.

Sub 5 owns j% of the outstanding stock of Sub 9, a member of the Distributing 2 Group. Sub 5 also owns k% of the stock of Foreign Sub 5, a Country C entity classified as a

corporation for U.S. Federal tax purposes; Foreign Sub 1 owns the remaining l%. Foreign Sub 5 is directly engaged in Business A in Country C.

Sub 6 owns (i) m% of the sole outstanding class of stock of Foreign Sub 6, a Country D corporation, and (ii) a n% participant's share in Foreign Partnership 1, a Country E partnership that has an interest in a Business B Asset. The remaining interest in Foreign Partnership 1 is owned o% by Foreign Sub 6 and q% by Sub 7.

In addition to its q% interest in Foreign Partnership 1, Sub 7 owns r% of the outstanding stock of Sub 10, a member of the Distributing 2 Group. The remaining stock in Sub 10 is owned by Distributing 2, Sub 3, and Sub 5. From Date 1 to Date 2, in addition to Sub 10 common stock, there were also outstanding two classes of Sub 10 preferred stock. The aggregate voting power of all the outstanding preferred stock was s% of the total voting power, and the aggregate value of all the outstanding preferred stock was greater than y% of the total value, of all of the Sub 10 stock outstanding. Thus, during the period from Date 1 to Date 2, Sub 10 and its direct and indirect subsidiaries were not members of the Distributing 2 Group. During that period, Sub 10 was the common parent of its own U.S. consolidated group. In a series of redemptions ending on Date 2, Sub 10 redeemed all of its outstanding preferred stock and, thus, Sub 10 and its direct and indirect subsidiaries became members of the Distributing 2 Group. These redemptions were not undertaken in contemplation of the Subsidiary Liquidations described below.

Sub 10 owns u% of the outstanding stock of Sub 11. Sub 11 owns stock in numerous U.S. and foreign corporations, including v% of the outstanding stock of the following members of the Distributing 2 Group: (i) Sub 12, (ii) Sub 13, (iii) Sub 14, (iv) Sub 15, and (v) Sub 16. Sub 12 owns w% of the outstanding stock of Sub 17. Sub 17 owns a royalty interest in a Business A Asset. Subs 12-15 as well as Sub 17 are directly engaged in Business A—all but Sub 15 in the U.S.—with Sub 12 and Sub 17 serving as the primary Distributing 2 Group members so engaged. Sub 16 is engaged in Business B.

Sub 11 also owns x% of the outstanding stock of the following members of the Distributing 2 Group: Sub 18, Sub 19, Sub 20, Sub 21, and Sub 22. These companies are collectively known as the State A, Business B Companies. Between Month 1 and Month 2 of Year 2, Parent's management initiated a review of the strategic fit of the State A, Business B Companies within the overall Parent Worldwide Group. As a result of the review, management decided to proceed with planning for a major expansion of such business.

Distributing 1 also owns z% of the outstanding stock of Sub 23, a member of the Distributing 2 Group. The remaining y% of Sub 23 stock is owned by Foreign Sub 3.

Sub 23 owns aa% of the outstanding stock of Sub 24, a member of the Distributing 2 Group. Sub 24's principal asset is a bb% participant's share in Foreign Partnership 2, a

Country F entity that is taxed as a partnership for U.S. Federal income tax purposes. Sub 24 will have owned its share in Foreign Partnership 2 continuously throughout the 5-year period ending on the date of the Transaction. The three other participants in Foreign Partnership 2, who are unrelated to Parent and to each other as of the date of this letter, own the remaining participant's shares in Foreign Partnership 2.

Sub 2 owns cc% of the outstanding stock of Sub 25, a member of the Sub 2 Group. Sub 25 also owns dd% of the stock of Sub 26, which conducts Business C for Business A and Business B.

Sub 25's holdings include ee% of the outstanding shares of stock of Sub 27 and Sub 28, both of which are members of the Sub 2 Group. Sub 27 is directly engaged in Business A. Sub 25 also owns ff% of the stock of Sub 29, a member of the Sub 2 Group. Sub 29 is directly engaged in Business B.

PROPOSED TRANSACTION

Parent desires to restructure Business A and Business B so that each legal entity owning, operating, or supervising the operation of Business A is placed under a single holding company. This reorganization of the legal ownership structure will then match the way in which Business A is managed and operated, reducing both administrative and risk-management costs (including shielding one business from potential liabilities of the other) associated with the commingled structure. In addition, although no specific transaction is currently planned, the management of Parent believes that separation of the businesses (i) provides clarity to investors as to the performance of each business, permitting a separate listing of Business A if market conditions or other business considerations dictate; and (ii) permits use of holding company equity as acquisition currency and financing flexibility for expansion in the particular business. The management of Parent believes that this flexibility provides a meaningful benefit to both businesses and that the separation will improve governance and oversight for accounting, legal, and other requirements.

The Sub 2 Group intends to transfer the assets and liabilities of Sub 29 out of the Sub 2 Group provided that such transfer is neither impractical nor unduly expensive. Such transfer and acquisition may occur via a transfer of all the Sub 2 Group's ownership interest in an entity holding the assets and responsible for the satisfaction of liabilities of Sub 29, and may occur following the completion of the Transaction described below. In addition, the acquirer and transferee of an entity holding the Sub 29 assets and responsible for the satisfaction of the Sub 29 liabilities may be a related party. The management of Sub 2 and Distributing 2 believe that any decision to not transfer the assets and liabilities of Sub 29 in the Transaction described below does not affect the corporate business purposes for the Transaction described below. The tax consequences associated with the potential transfer of the assets and liabilities of Sub 29 will be the subject of a separate ruling request submitted subsequent to the issuance of this letter ruling.

To achieve the business objectives described above, Distributing 2 and Sub 2 propose the following steps (the “Transaction”):

1. Sub 3 will adopt a plan of complete liquidation and merger and merge with and into Distributing 1 with Distributing 1 surviving, after which Distributing 1 will hold rr% of the stock of Sub 7 and Sub 8, stock in Sub 2, and approximately gg% of the stock of Sub 10 (the “Sub 3 Liquidation”).
2. Sub 7 will adopt a plan of complete liquidation and convert to a single-member LLC (“Sub 7 LLC”) that will be disregarded from Distributing 1 for Federal tax purposes, after which, for Federal tax purposes, Distributing 1 will hold approximately hh% of the stock of Sub 10 (the “Sub 7 Liquidation”).
3. Sub 7 LLC will distribute the Sub 10 stock to Distributing 1.
4. Sub 10 will adopt a plan of complete liquidation and merger, redeem for cash Distributing 2’s approximately ii% interest and Sub 5’s approximately ii% interest in its stock, and then merge with and into Distributing 1 with Distributing 1 surviving (the “Sub 10 Liquidation”).
5. Sub 11 will adopt a plan of complete liquidation and merger and merge with and into Distributing 1 with Distributing 1 surviving (the “Sub 11 Liquidation”).

Steps 1-5 are referred to as the “Subsidiary Liquidations”, and each subsidiary that will liquidate (whether by merger or conversion) is referred to as a “Liquidating Subsidiary”.

6. Sub 4 will transfer to Distributing 1 its shares of Sub 2 stock in exchange for one share of Distributing 1 voting preferred stock (the “Sub 4 Exchange”). Such preferred stock will accrue dividends at a fixed rate, will not be redeemable (in the sole discretion of the issuer or holder) at any time during the 20-year period beginning on its issue date, and will not be puttable to or callable by any person related to Distributing 1.
7. Distributing 1 will form a new U.S. corporation, Controlled, with a two-tiered capital structure including Class A and Class B shares.
8. Foreign Sub 3 will elect to be treated as a disregarded entity for U.S. Federal tax purposes.
9. Controlled will form a new U.S. corporation, “Transitory Newco”, and Controlled, Transitory Newco, Distributing 1, Parent, and Sub 2 will adopt a plan of contribution and merger (the “Sub 2 Reorganization Agreement”).
10. Transitory Newco will merge with and into Sub 2 with Sub 2 surviving, with Parent exchanging its shares of Sub 2 common stock (representing more than b% of the total voting power of Sub 2 stock) for Class B shares of Controlled

common stock that will possess gg% of the total combined voting power and approximately jj% of the value of all Controlled stock (the “Reverse Merger”).

Steps 9 and 10 will occur pursuant to the Sub 2 Reorganization Agreement, and are referred to as the “Sub 2 Reorganization”.

11. Distributing 1 will contribute to Controlled (the “Controlled Contribution”), in exchange solely for Class A shares of Controlled common stock,

- a. All the outstanding shares of Sub 5
- b. All of the outstanding stock of Sub 8 and Subs 12-15
- c. The kk shares of Sub 2 (acquired from Sub 3 in Step 1 and Sub 4 in Step 6)

The Controlled Class A common stock will possess ll% of the total combined voting power and approximately mm% of the value of all Controlled stock. No liabilities will be assumed by Controlled in the Controlled Contribution.

In steps 12 and 13, Distributing 1 will distribute with respect to its stock the Controlled Class A stock and cash, as follows:

12. Distributing 1 will distribute to Foreign Sub 3, a disregarded entity of Parent (after Step 8) that holds e% of the stock of Distributing 1,

- a. nn% of Distributing 1’s Controlled Class A stock, and
- b. Cash equal to oo% of the value of the Controlled Class A stock.

13. Distributing 1 will distribute the remaining pp% of the Controlled Class A stock, which possesses qq% (greater than 80%) of the total combined voting power of all Controlled stock, to Distributing 2.

Steps 12 and 13 together are referred to as “Distribution 1”.

14. Parent will contribute all the Controlled Class B stock to Foreign Sub 2 in exchange for newly issued shares of Foreign Sub 2 common stock (the “First Contribution”).

15. Foreign Sub 2 will form a new fiscally transparent U.S. entity, New Holdco LLC, that will be classified as a partnership under Country A law and that will be disregarded for U.S. Federal tax purposes, and will contribute to New Holdco LLC all the Controlled Class B stock in exchange for all the interests in New Holdco LLC.

16. Distributing 2 will distribute all its Controlled Class A stock, which it acquired from Distributing 1 and which possesses gg% of the total combined voting power of all Controlled stock, to Parent ("Distribution 2").
17. Foreign Sub 3 will distribute, for purposes of local law, its Controlled Class A stock to Parent. Parent will contribute all the Controlled Class A stock to Foreign Sub 2 in exchange for newly issued shares of common stock (the "Second Contribution", together with the First Contribution, the "Foreign Sub 2 Contribution").

REPRESENTATIONS

Subsidiary Liquidations

1. Distributing 1, on the date of the adoption of the plan of complete liquidation by each Liquidating Subsidiary through the effective time of the merger or other transaction terminating the existence of the subsidiary and at all times until the merger or other transaction is completed, will be the owner of at least 80% of the single outstanding class of stock of each Liquidating Subsidiary.
2. The only property to be distributed to the minority shareholders of Sub 10 (Sub 5 and Distributing 2) pursuant to the Sub 10 Liquidation will be cash.
3. The fair market value of the consideration received by Distributing 1 and by the minority shareholders of Sub 10 (Sub 5 and Distributing 2) for each share of Sub 10 stock will approximately equal the fair market value of that stock.
4. Except for the redemption of all Sub 10's preferred stock on Date 2, no shares of any Liquidating Subsidiary stock will have been redeemed during the three years preceding the adoption of the plan of complete liquidation through merger or otherwise.
5. All distributions made by each Liquidating Subsidiary to a higher-tier member of the Distributing 2 Group pursuant to the plan of complete liquidation of the subsidiary will be made within a single taxable year of the subsidiary.
6. The complete liquidation of each Liquidating Subsidiary other than Sub 7 (which will convert to a single member LLC that is a disregarded entity) will satisfy all of the requirements of, and qualify as a merger pursuant to, applicable corporate law and, by operation of such law, will result in the acquiring corporation acquiring all of the assets and liabilities of the subsidiary and the subsidiary ceasing to exist.
7. Following the conversion of Sub 7 into a single-member limited liability company, Sub 7 will be disregarded as an entity separate from its owner for federal tax purposes under Reg. §301.7701-3(b)(1)(ii), and the single-member limited liability

company will not elect or claim to be treated as a corporation for federal income tax purposes.

8. Neither Sub 3, Sub 7, Sub 10, nor Sub 11 will for federal tax purposes retain any assets following its merger or conversion.
9. Except for the Year 1 transaction in which Sub 11 acquired some stock of Sub 30 in a transaction intended to be a section 351 transfer, no Liquidating Subsidiary will have acquired assets in any nontaxable transaction at any time, except for acquisitions occurring more than three years prior to the date of the adoption of the plan of liquidation.
10. Except as described in step 11 of the Transaction relating to assets of Sub 3 and Sub 11 that will be transferred to Controlled, no assets of any Liquidating Subsidiary have been, or will be, disposed of by either the Liquidating Subsidiary or Distributing 1 except for dispositions in the ordinary course of business and dispositions occurring more than 3 years prior to the adoption of the plan of liquidation.
11. Except as described in step 11 of the Transaction relating to assets of Sub 3 and Sub 11 that will be transferred to Controlled, no Subsidiary Liquidation will be preceded or followed by the reincorporation in, or transfer or sale to, a recipient corporation ("Recipient") of any of the businesses or assets of the Liquidating Subsidiary, if persons holding, directly or indirectly, more than 20% in value of the Liquidating Subsidiary stock, also hold, directly or indirectly, more than 20% in value of the stock in Recipient. For purposes of this representation, ownership will be determined by application of the constructive ownership rules of section 318(a) of the Code as modified by section 304(c)(3).
12. Prior to the adoption of the plan of liquidation of each Liquidating Subsidiary, no assets of the Liquidating Subsidiary will have been distributed in kind, transferred, or sold to Distributing 1, except for transactions occurring in the ordinary course of business and transactions occurring more than three years prior to adoption of the plan.
13. The fair market value of the assets of each Liquidating Subsidiary will exceed its liabilities both at the date of the adoption of its plan of liquidation and immediately prior to the time the first liquidating distribution will be made.
14. Distributing 1 is not an organization that is exempt from Federal income tax under section 501 or any other provision of the Code.
15. Except for debt owed by Sub 10 to Sub 11 that if not eliminated before the Transaction would become debt owed by Distributing 1 to Sub 11 as a result of the Sub 10 Liquidation into Distributing 1, there is no intercorporate debt existing between Distributing 1 and any Liquidating Subsidiary and none has been cancelled,

forgiven, or discounted, except for transactions that occurred more than 3 years prior to the date of adoption of the liquidation plan.

16. At the time of each Subsidiary Liquidation, there will be no indebtedness between the Liquidating Subsidiary and any other member of the Worldwide Group, except for indebtedness that is properly characterized as indebtedness for federal income tax purposes.
17. Each Liquidating Subsidiary will report all earned income represented by assets that will be distributed to its shareholders such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.
18. All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to, the proposed liquidation of each Liquidating Subsidiary have been fully disclosed.

Sub 4 Exchange

1. No stock or securities will be issued for services rendered to or for the benefit of Distributing 1 in connection with the Sub 4 Exchange, and no stock or securities will be issued for any indebtedness of Distributing 1 that is not evidenced by a security or for interest on indebtedness of Distributing 1 which accrued on or after the beginning of the holding period of Sub 4 for the debt.
2. The Sub 4 Exchange is not the result of the solicitation by a promoter, broker or investment house.
3. Sub 4 will not retain any rights in the property transferred to Distributing 1.
4. Distributing 1 will not be a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956.
5. Distributing 1 will neither assume, nor take any assets subject to, any liabilities in connection with the Sub 4 Exchange.
6. There is no indebtedness between Distributing 1 and Sub 4, and there will be no indebtedness created in favor of Sub 4 as a result of the transaction.
7. The transfers and exchanges will occur under a plan agreed upon before the transaction in which the rights of the parties are defined.
8. All exchanges will occur on approximately the same date.
9. Neither Sub 4 nor Distributing 2 has a plan or intention to dispose of any shares of Distributing 1 stock following the Sub 4 Exchange.

10. There is no plan or intention on the part of Distributing 1 to redeem or otherwise reacquire any shares of Distributing 1 stock to be issued in the Sub 4 Exchange.
11. Taking into account any issuance of additional shares of Distributing 1, any issuance of stock for services, the exercise of any Distributing 1 stock rights, warrants, or subscriptions, a public offering of Distributing 1 stock and the sale, exchange, transfer by gift, or other disposition of any of the stock of Distributing 1 to be received in the exchange, Distributing 2 and Sub 4 will be in control of Distributing 1 within the meaning of section 368(c).
12. Sub 4 will receive stock of Distributing 1 approximately equal to the fair market value of the property it transfers to Distributing 1.
13. Distributing 1 will remain in existence and dispose of the Sub 2 stock received in the Sub 4 Exchange by transferring it to Controlled, as described in step 11 of the Transaction.
14. Distributing 1 will not be an investment company within the meaning of section 351(e)(1) and Reg. §1.351-1(c)(1)(ii).
15. Each of Sub 4 and Distributing 1 will pay its own expenses, if any, incurred in connection with the transaction.
16. Sub 4 is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of such debtor.
17. Distributing 1 will not be a “personal service corporation” within the meaning of section 269A.
18. The Sub 2 stock transferred by Sub 4 to Distributing 1 in the Sub 4 Exchange is not section 306 stock within the meaning of section 306(c).

Sub 2 Reorganization

1. Pursuant to the Reverse Merger, as a result of the operation of law, the following will occur simultaneously: (i) all of the assets and liabilities of Transitory Newco will become assets and liabilities of Sub 2, and (ii) Transitory Newco will cease its separate legal existence.
2. The fair market value of the Controlled Class B stock received by Parent will be approximately equal to the fair market value of the Sub 2 stock surrendered in the exchange.
3. Following the Sub 2 Reorganization, Sub 2 will hold at least 90% of the fair market value of its net assets and at least 70% of the fair market value of its gross assets

and at least 90% of the fair market value of Transitory Newco's net assets and at least 70% of the fair market value of Transitory Newco's gross assets held immediately prior to the transaction. For purposes of this representation, amounts paid by Sub 2 or Transitory Newco to dissenters, amounts paid by Sub 2 or Transitory Newco to shareholders who receive cash or other property, amounts used by Sub 2 or Transitory Newco to pay reorganization expenses, amounts used by Sub 2 or Transitory Newco to pay liabilities or other obligations (other than operating liabilities incurred in the ordinary course of business), and all redemptions and distributions (except for regular, normal dividends) made by Sub 2 will be included as assets of Sub 2 or Transitory Newco, respectively, immediately prior to the transaction.

4. Prior to the Sub 2 Reorganization, Controlled will be in control of Transitory Newco within the meaning of section 368(c).
5. Sub 2 has no plan or intention to issue additional shares of its stock that would result in Controlled losing control of Sub 2 within the meaning of section 368(c).
6. At the time of the transaction, Sub 2 will not have outstanding any warrants, options, convertible securities, or any other type of right pursuant to which any person could acquire stock in Sub 2 that, if exercised or converted, would affect Controlled's acquisition or retention of control of Sub 2 (as defined in section 368(c)).
7. Except as described in steps 14 and 15 of the Transaction, there is no plan or intention for Controlled or any person related (as defined in section 1.368-1(e)(3)) to Controlled to acquire or redeem any of the Controlled stock to be issued in the Sub 2 Reorganization either directly or indirectly or through any transaction, agreement, or arrangement with any other person.
8. Except for redemptions of Sub 2 stock held by Sub 3 and Sub 4 on Date 3 (which will not have been funded by Controlled), during the 5-year period ending on the date of the Sub 2 Reorganization: (i) neither Controlled nor any person related (as defined in section 1.368-1(e)(3)) to Controlled will have acquired Sub 2 stock with consideration other than Controlled stock; (ii) neither Sub 2 nor any person related (as defined in section 1.368-1(e)(3)) to Sub 2 will have acquired or redeemed Sub 2 stock with consideration other than Controlled or Sub 2 stock; and (iii) no distributions will have been made with respect to Sub 2 stock other than ordinary, normal, regular, dividend distributions made pursuant to Sub 2's historic dividend paying practice, either directly or through any transaction, agreement, or arrangement with any other person.
9. Controlled has no plan or intention to (i) cause Sub 2 to liquidate for federal income tax purposes or terminate its corporate existence for federal income tax purposes; (ii) sell or otherwise dispose of the stock of Sub 2 except for transfers allowed under section 368(a)(2)(C) and the applicable regulations thereunder; or (iii) cause Sub 2

to sell or otherwise dispose of any of its assets or any of the assets acquired from Transitory Newco, except for dispositions made in the ordinary course of business or transfers allowed under section 368(a)(2)(C) and the applicable regulations thereunder.

10. Transitory Newco will have no liabilities assumed by Sub 2 (within the meaning of section 357(d)), and will not transfer to Sub 2 any assets subject to liabilities in the transaction.
11. Following the Sub 2 Reorganization, (i) Sub 2 will continue to own all the outstanding stock of Sub 25, which stock will constitute "control" of Sub 25 within the meaning of section 368(c), (ii) Sub 25 will continue to own rr% (in voting power and value) of the sole outstanding stock of Sub 27, which stock will constitute "control" of Sub 27 within the meaning of section 368(c), and (iii) Sub 2, taking into account the business of Sub 27 under section 1.368-1(d)(4), will continue its historic business or use a significant portion of its historic business assets in a business within the meaning of Reg. §1.368-1(d).
12. Controlled, Transitory Newco, Sub 2 and Parent will pay their respective expenses, if any, incurred in connection with the transaction.
13. There is no intercorporate indebtedness existing between Controlled and Sub 2 or between Transitory Newco and Sub 2 that was or will be issued, acquired, or settled at a discount.
14. In the Sub 2 Reorganization, shares of Sub 2 stock representing control of Sub 2, as defined in section 368(c), will be exchanged solely for voting stock of Controlled. For purposes of this representation, shares of Sub 2 stock exchanged for cash or other property originating with Controlled (or any related person, as defined in Reg. §1.368-1(e)(4)) will be treated as outstanding Sub 2 stock on the date of the transaction.
15. During the five years preceding the Sub 2 Reorganization, Controlled has not owned any shares of the stock of Sub 2.
16. No two parties to the Sub 2 Reorganization are investment companies as defined in section 368(a)(2)(F)(iii) and (iv).
17. On the effective date of the Sub 2 Reorganization, the fair market value of the assets of Sub 2 will exceed the sum of its liabilities, plus the amount of liabilities, if any, to which the assets of Sub 2 are subject.
18. Sub 2 is not under the jurisdiction of a court in a Title 11 or similar case within the meaning of section 368(a)(3)(A) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of such debtor.

19. At the time of the Sub 2 Reorganization, the value of Sub 2 will exceed the value of Controlled. The Sub 2 Reorganization will be a “reverse acquisition” within the meaning of Reg. §1.1502-75(d)(3). Upon the completion of the Sub 2 Reorganization, Controlled and its subsidiaries will become members of the Sub 2 Group.
20. On at least one determination date, as defined in Reg. §1.897-2(c), during the period that includes the 5 consecutive years ending immediately after the Reverse Merger, Sub 2 will be a United States real property holding corporation as defined in section 897(c)(2) and Reg. §1.897-2(b)(1).
21. On at least one determination date, as defined in Reg. §1.897-2(c), during the period that includes the 5 consecutive years ending immediately after the Reverse Merger, Controlled will be a United States real property holding corporation as defined in section 897(c)(2) and Reg. §1.897-2(b)(1).
22. Immediately after the Reverse Merger, the Class B Controlled shares received by Parent pursuant to the Reverse Merger will be subject to U.S. tax upon its disposition within the meaning of Reg. §1.897-5T(d)(1).
23. The parties (Parent and Sub 2) will comply with the notice and filing requirements of Section 897, Section 1445(c), Reg. §1.897-2(h) and Temp. Reg. §1.897-5T(d), as modified by Notice 89-57, 1989-2 C.B. 403, with respect to the Sub 2 Reorganization.

Controlled Contribution and Distribution 1

1. The indebtedness, if any, owed by Controlled to Distributing 1 after Distribution 1 will not constitute stock or securities.
2. No part of the consideration to be distributed by Distributing 1 will be received by a shareholder as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 1.
3. In applying section 355(b)(2)(A) regarding the active conduct of a trade or business, Distributing 1 will treat all members of its separate affiliated group (“SAG”) as defined in section 355(b)(3)(B) as one corporation.
4. Sub 24 is, and immediately after Distribution 1 will be, affiliated with Distributing 1 in a manner that satisfies section 1504(a), without regard to section 1504(b).
5. In applying section 355(b)(2)(A) regarding the active conduct of a trade or business, Controlled will treat all members of its SAG as defined in section 355(b)(3)(B) as one corporation.
6. After the Sub 2 Reorganization and immediately after Distribution 1, Sub 27 will be

affiliated with Controlled in a manner that satisfies section 1504(a), without regard to section 1504(b).

7. The five years of financial information submitted on behalf of Sub 27 is representative of Sub 27's present operations, and with regard to such corporation, there have been no substantial operational changes since the date of the last financial statements submitted.
8. The five years of financial information submitted on behalf of Sub 24 is representative of Sub 24's present operations, and with regard to such corporation, there have been no substantial operational changes since the date of the last financial statements submitted.
9. Following Distribution 1, Distributing 1 and Controlled, through their respective SAGs, will each continue the active conduct of its respective business, independently and with its separate employees.
10. Distribution 1 will be carried out to facilitate the overall separation of Business A from Business B, which will be carried out for the following corporate business purposes: (i) alignment of entity organization with function; (ii) potential to list Business A stock; (iii) acquisition currency transaction; (iv) financing flexibility; (v) guarantees and risk segregation; and (vi) improved governance. Distribution 1 is motivated, in whole or in substantial part, by one or more of these business purposes.
11. Distribution 1 is not used principally as a device for the distribution of the earnings and profits of Distributing 1 or Controlled or both.
12. For purposes of section 355(d), immediately after Distribution 1, no person (determined after applying section 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Distributing 1 stock entitled to vote, or 50% or more of the total value of shares of all classes of Distributing 1 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the 5-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 1.
13. For purposes of section 355(d), immediately after Distribution 1, no person (determined after applying section 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the 5-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 1 or (ii) attributable to distributions on Distributing 1 stock or securities that were acquired by purchase (as defined in section 355(d)(5) and (8)) during the 5-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 1.

14. Distribution 1 is not part of a plan or series of related transactions (within the meaning of Reg. §1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50% or greater interest (within the meaning of section 355(d)(4)) in Distributing 1 or Controlled (including any predecessor or successor of any such corporation).
15. The total fair market value of the assets that Distributing 1 will transfer to Controlled will exceed the sum of (i) the total liabilities (if any) assumed (within the meaning of section 357(d)) by Controlled, (ii) the amount of liabilities (if any) owed to Controlled by Distributing 1 that are discharged or extinguished in the exchange, and (iii) the amount of cash and the fair market value of the property (if any) (other than stock and securities permitted to be received under section 361(a) without the recognition of gain) received by Distributing 1 from Controlled in the exchange. The fair market value of the assets of Controlled will exceed the amount of its liabilities immediately after Distribution 1.
16. The total adjusted basis of the assets transferred by Distributing 1 to Controlled in the Controlled Contribution will equal or exceed the sum of: (i) the total liabilities (if any) assumed (within the meaning of section 357(d)) by Controlled and (ii) the total amount of money (if any) and the fair market value of other property (within the meaning of section 361(b)) (if any) transferred by Controlled to Distributing 1 that will be distributed to Distributing 1's shareholders or transferred to Distributing 1's creditors pursuant to the plan of reorganization of Distributing 1 and Controlled.
17. The liabilities assumed (within the meaning of section 357(d)) by Controlled and the liabilities to which the transferred assets are subject were incurred in the ordinary course of business and are associated with the assets being transferred.
18. Except with respect to the elimination or reduction of intercompany balances in connection with the transaction, Distributing 1 neither accumulated its receivables nor made extraordinary payment of its payables in anticipation of the Transaction.
19. Except for indebtedness that may be created in the ordinary course of business, no intercorporate debt will exist between Distributing 1 and Controlled at the time of, or subsequent to, Distribution 1.
20. Immediately before Distribution 1, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations (see Reg. §§1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and, as currently in effect, Reg. §1.1502-13 as published by T.D. 8597). Furthermore, immediately before Distribution 1, there will be no excess loss account with respect to the Controlled stock to be distributed (see Reg. §1.1502-19).
21. Payments made in connection with all continuing transactions, if any, between

Distributing 1 and Controlled will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

22. No two parties to the transaction are investment companies as defined in section 368(a)(2)(F)(iii) and (iv).
23. Immediately after Distribution 1 (taking into account section 355(g)(4)), neither Distributing 1 nor Controlled will be a disqualified investment corporation (within the meaning of section 355(g)(2)).
24. Distributing 1 and Controlled, and their respective shareholders, will each pay their own expenses, if any, incurred in connection with Distribution 1.
25. There is no plan, intention, or formal or informal understanding to change the capital structure of Controlled to eliminate the two-tiered voting structure of the Controlled Class A and Class B stock established in the Transaction.
26. At all relevant determination dates, as defined in Reg. §1.897-2(c), during the period that includes the 5 consecutive years ending on the date following Distribution 1, Distributing 1 will not be a United States real property holding corporation as defined in section 897(c)(2) and Reg. §1.897-2(b)(1).
27. Distributing 1 (with respect to a portion of the Controlled Class A shares distributed to Foreign Sub 3 in Distribution 1) will comply with the notice and filing requirements of sections 897 and 1445(c) and Reg. §§1.897-2(h) and 1.897-5T(d).

Distribution 2

1. The indebtedness, if any, owed by Controlled to Distributing 2 immediately after Distribution 2 will not constitute stock or securities.
2. No part of the consideration to be distributed by Distributing 2 to its shareholders will be received by any of Distributing 2's shareholders as a creditor, employee, or in any capacity other than that of a shareholder of Distributing 2.
3. In applying section 355(b)(2)(A) regarding the active conduct of a trade or business, Distributing 2 and Controlled will treat all members of their respective SAGs as one corporation.
4. Sub 24 is, and immediately after Distribution 2 will be, affiliated with Distributing 2 in a manner that satisfies section 1504(a), without regard to section 1504(b).
5. After the Sub 2 Reorganization and immediately after Distribution 2, Sub 27 will be affiliated with Controlled in a manner that satisfies section 1504(a), without regard to section 1504(b).

6. The five years of financial information submitted on behalf of Sub 24 is representative of its present operations, and with regard to such operations, there have been no substantial operational changes since the date of the last financial statements submitted.
7. The five years of financial information submitted on behalf of Sub 27 is representative of its present operations, and with regard to such operations, there have been no substantial operational changes since the date of the last financial statements submitted.
8. Following Distribution 2, Distributing 2 and Controlled, through their respective SAGs, will each continue the active conduct of its respective business, independently and with its separate employees.
9. Distribution 2 will be carried out for the following corporate business purposes: (i) alignment of entity organization with function; (ii) potential to list Business A stock; (iii) acquisition currency transaction; (iv) financing flexibility; (v) guarantees and risk segregation; and (vi) improved governance. Distribution 2 is motivated, in whole or in substantial part, by one or more of these business purposes.
10. Distribution 2 is not used principally as a device for the distribution of the earnings and profits of Distributing 2 or Controlled or both.
11. For purposes of section 355(d), immediately after Distribution 2, no person (determined after applying section 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Distributing 2 stock entitled to vote, or 50% or more of the total value of shares of all classes of Distributing 2 stock, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the 5-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 2.
12. For purposes of section 355(d), immediately after Distribution 2, no person (determined after applying section 355(d)(7)) will hold stock possessing 50% or more of the total combined voting power of all classes of Controlled stock entitled to vote, or 50% or more of the total value of shares of all classes of Controlled stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the 5-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 2 or (ii) attributable to distributions on Distributing 2 stock or securities that were acquired by purchase (as defined in section 355(d)(5) and (8)) during the 5-year period (determined after applying section 355(d)(6)) ending on the date of Distribution 2.
13. Distribution 2 is not part of a plan or series of related transactions (within the meaning of Reg. §1.355-7) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50% or greater interest (within the meaning

of section 355(d)(4)) in Distributing 2 or Controlled (including any predecessor or successor of any such corporation).

14. Except with respect to the elimination or reduction of intercompany balances in connection with the transaction, Distributing 2 neither accumulated its receivables nor made extraordinary payment of its payables in anticipation of the transaction.
15. Except for indebtedness that may be created in the ordinary course of business, no intercorporate debt will exist between Distributing 2 and Controlled at the time of, or subsequent to, Distribution 2.
16. Immediately before Distribution 2, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations (see Reg. §§1.1502-13 and 1.1502-14 in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; Reg. §1.1502-13 as published by T.D. 8597). Furthermore, any excess loss account Distributing 2 may have in the stock of Controlled will be included in income immediately before Distribution 2 (see Reg. §1.1502-19).
17. Payments made in connection with all continuing transactions, if any, between Distributing 2 and Controlled will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.
18. No two parties to the transaction are investment companies as defined in section 368(a)(2)(F)(iii) and (iv).
19. Immediately after Distribution 2 (taking into account section 355(g)(4)), neither Distributing 2 nor Controlled will be a disqualified investment corporation (within the meaning of section 355(g)(2)).
20. Distributing 2 and Controlled, and their respective shareholders, will each pay their own expenses, if any, incurred in connection with Distribution 2.
21. At all relevant determination dates, as defined in Reg. §1.897-2(c), during the period that includes the 5 consecutive years ending on the date following Distribution 2, Distributing 2 will not be a United States real property holding corporation as defined in section 897(c)(2) and Reg. §1.897-2(b)(1).
22. Distributing 2 (with respect to the Controlled Class A shares distributed to Parent in Distribution 2) will comply with the notice and filing requirements of sections 897 and 1445(c) and Reg. §§1.897-2(h) and 1.897-5T(d).

Foreign Sub 2 Contribution

1. No stock or securities will be issued for services rendered to or for the benefit of Foreign Sub 2 in connection with the Foreign Sub 2 Contribution, and no stock or

securities will be issued by Foreign Sub 2 in exchange for any indebtedness of Foreign Sub 2 that is not evidenced by a security or for interest on indebtedness of Foreign Sub 2 which accrued on or after the beginning of the holding period of Parent for the debt.

2. The Foreign Sub 2 Contribution is not the result of the solicitation by a promoter, broker or investment house.
3. Parent will not retain any rights in the property transferred in the Foreign Sub 2 Contribution.
4. Foreign Sub 2 will not be a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956.
5. Foreign Sub 2 will neither assume, nor take any assets subject to, any liabilities in connection with the Foreign Sub 2 Contribution.
6. There is no indebtedness between Foreign Sub 2 and Parent, and there will be no indebtedness created in favor of Parent, as a result of the Foreign Sub 2 Contribution.
7. The transfers and exchanges composing the Foreign Sub 2 Contribution will occur under a plan agreed upon before the transaction in which the rights of the parties are defined.
8. All exchanges composing the Foreign Sub 2 Contribution will occur on approximately the same date.
9. Parent has no plan or intention to dispose of any shares of Foreign Sub 2 stock following the Foreign Sub 2 Contribution.
10. There is no plan or intention on the part Foreign Sub 2 to redeem or otherwise reacquire any shares of Foreign Sub 2 stock to be issued in the Foreign Sub 2 Contribution.
11. Taking into account any issuance of additional shares of Foreign Sub 2, any issuance of shares for services, the exercise of any Foreign Sub 2 share rights, warrants, or subscriptions, a public offering of Foreign Sub 2 shares, and the sale, exchange, transfer by gift, or other disposition of any of the shares of Foreign Sub 2 to be received in the exchange, Parent will be in "control" of Foreign Sub 2 within the meaning of section 368(c).
12. Parent will receive stock of Foreign Sub 2 approximately equal to the fair market value of the property it transfers to Foreign Sub 2 in the Foreign Sub 2 Contribution.
13. Assuming that the Foreign Sub 2 Contribution qualifies as a transaction described in

section 351, the value of the Controlled stock received by Foreign Sub 2 in the Foreign Sub 2 Contribution (determined immediately after such contribution) will equal or exceed Foreign Sub 2's aggregate adjusted basis in such Controlled stock as a result of the Foreign Sub 2 Contribution (determined without applying section 362(e)(2)).

14. Foreign Sub 2 will remain in existence and, except as described in step 15 of the Transaction, will retain and use the property transferred to it in a trade or business.
15. There is no plan or intention by Foreign Sub 2 to dissolve Controlled or dispose of the Controlled stock, except as otherwise described in step 15 of the Transaction.
16. Each of Parent and Foreign Sub 2 will pay its own expenses, if any, incurred in connection with the transaction.
17. Foreign Sub 2 will not be an investment company within the meaning of section 351(e)(1) and section 1.351-1(c)(1)(ii).
18. Parent is not under the jurisdiction of a court in a title 11 or similar case (within the meaning of section 368(a)(3)(A)) and the stock or securities received in the exchange will not be used to satisfy the indebtedness of such debtor.
19. Foreign Sub 2 will not be a "personal service corporation" within the meaning of section 269A.
20. The parties (Parent, Controlled and Foreign Sub 2) will comply with the notice and filing requirements of section 897, section 1445(c), Reg. §1.897-2(h) and Temp. Reg. §1.897-5T(d), as modified by Notice 89-57, 1989-2 C.B. 403 with respect to Foreign Sub 2 Contribution.
21. Parent will retain all the Foreign Sub 2 stock received in the Foreign Sub 2 Contribution for a period of at least one year and one day following the date on which Parent contributes all the Controlled shares to Foreign Sub 2.

RULINGS

Based solely on the information submitted and the representations made, we rule as follows:

The Subsidiary Liquidations

1. Each Subsidiary Liquidation will qualify as a complete liquidation under section 332 (section 332(b)).

2. Distributing 1 will recognize no gain or loss on each Subsidiary Liquidation (section 332(a)); Distributing 2 and Sub 5 will recognize no gain or loss on the Sub 10 Liquidation (section 332(a), §1.1502-34).
3. Sub 3, Sub 7, and Sub 11 each will recognize no gain or loss on its liquidation (section 336(d)(3), section 337(a)). Sub 10 will recognize no gain or loss on its liquidating distribution to Distributing 1 (section 336(d)(3), section 337(a)) or on its liquidating distribution of cash to Distributing 2 and Sub 5.
4. Distributing 1's basis in each asset received from each Liquidating Subsidiary will equal the basis of that asset in the hands of the respective Liquidating Subsidiary immediately before the respective Subsidiary Liquidation (section 334(b)(1)).
5. Distributing 1's holding period in each asset received from each Liquidating Subsidiary will include the period during which that asset was held by the respective Liquidating Subsidiary (section 1223(2)).
6. With respect to the liquidation of Sub 3, Sub 7, and Sub 11, Distributing 1 will succeed to and take into account the items of each Liquidating Subsidiary described in section 381(c), subject to the conditions and limitations specified in sections 381, 382, 383, and 384 and the regulations thereunder (section 381(a), Reg. §1.381(a)-1).
7. With respect to the liquidation of Sub 10, Distributing 1, Distributing 2, and Sub 5 will succeed to and take into account the items of Sub 10 described in section 381(c) as provided for under section 1.1502-80(g), subject to the conditions and limitations specified in sections 381, 382, 383, and 384 and the regulations thereunder (section 381(a), Reg. §1.381(a)-1) and §1.1502-80(g).
8. With respect to the liquidation of Sub 3, Sub 7, and Sub 11, except to the extent the earnings and profits of each such Liquidating Subsidiary are reflected in the earnings and profits of Distributing 1, Distributing 1 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of each such Liquidating Subsidiary as of the date of each respective Subsidiary Liquidation (section 381(c)(2)(A), Reg. §1.381(c)(2)-1, Reg. §1.1502-33(a)(2)). Any deficit in the earnings and profits of such a Liquidating Subsidiary or Distributing 1 will be used only to offset earnings and profits accumulated after the date of the respective Subsidiary Liquidation (section 381(c)(2)(B)).
9. With respect to the liquidation of Sub 10, except to the extent the earnings and profits of Sub 10 are reflected in the earnings and profits of Distributing 1, Distributing 2 and/or Sub 5, respectively, Distributing 1, Distributing 2 and Sub 5 will succeed to and take into account the earnings and profits, or deficit in earnings and profits, of Sub 10 as of the date of each Subsidiary Liquidation as provided for under 1.1502-80(g)(3) (section 381(c)(2)(A), Reg. §1.381(c)(2)-1, Reg. §1.1502-33(a)(2),

Reg. § 1.1502-80(g)(3)). Any deficit in the earnings and profits of Sub 10, Sub 5, or Distributing 1 will be used only to offset earnings and profits accumulated after the date of the liquidation of Sub 10 (section 381(c)(2)(B)).

The Sub 4 Exchange

1. The Sub 4 Exchange will qualify as a transaction described in section 351 (section 351; Reg. §1.1502-34).
2. Sub 4 will recognize no gain or loss on the transfer of its Sub 2 shares to Distributing 1 in exchange for one share of Distributing 1 preferred stock in the Sub 4 Exchange (section 351(a)).
3. Distributing 1 will recognize no gain or loss on its receipt of the Sub 2 shares from Sub 4 in exchange for one share of Distributing 1 preferred stock (section 1032).
4. Sub 4's basis in the share of Distributing 1 preferred stock received in the Sub 4 Exchange will equal Sub 4's basis immediately before such exchange in the Sub 2 shares transferred to Distributing 1 in such exchange (section 358(a)).
5. Sub 4's holding period in the share of Distributing 1 preferred stock received in the Sub 4 Exchange will include the holding period during which Sub 4 held the Sub 2 shares, provided that the Sub 2 shares were capital assets or assets described in section 1231 (section 1223(1)).
6. Distributing 1's basis in each share of Sub 2 received in the Sub 4 Exchange will equal Sub 4's basis in such share immediately before the exchange (section 362(a), §1.1502-80(h)).
7. Distributing 1's holding period in the Sub 2 shares received in the Sub 4 Exchange will include the holding period during which Sub 4 held such Sub 2 shares (section 1223(2)).
8. The Distributing 1 preferred stock will not be "section 306 stock" (section 306(c)(3); §1.1502-80(b)).

The Sub 2 Reorganization

1. The Reverse Merger will qualify as a reorganization under section 368(a)(1)(A). The reorganization will not be disqualified because voting stock of Controlled is used in the merger (section 368(a)(2)(E)). Transitory Newco, Sub 2, and Controlled each will be a "party to a reorganization" under section 368(b).

2. Transitory Newco will recognize no gain or loss on the transfer of its assets to Sub 2 in constructive exchange for Sub 2 stock and the assumption by Sub 2 of related liabilities (section 361(a) and 357(a)).
3. Sub 2 will recognize no gain or loss on its receipt of assets of Transitory Newco in constructive exchange for Sub 2 stock (section 1032(a)).
4. Controlled will recognize no gain or loss on its receipt of Sub 2 stock in constructive exchange for Transitory Newco stock (section 354(a)(1)).
5. The basis Sub 2 will have in each Transitory Newco asset received in the Reverse Merger will equal the basis of that asset in the hands of Transitory Newco immediately before the exchange (section 362(b)).
6. The holding period Sub 2 will have for each Transitory Newco asset will include the period during which Transitory Newco held that asset (1223(2)).
7. Immediately after the Reverse Merger, Controlled's basis in the stock of Sub 2 will equal the sum of (a) Controlled's basis in the stock of Transitory Newco immediately before the Merger and (b) Sub 2's net asset basis within the meaning of Reg. §1.1502-31(c) (Reg. §§1.358-6(c)(2)(i)(A) and 1.1502-31(b)(2)).
8. The holding period Controlled will have in the stock of Sub 2 attributable to the stock of Transitory Newco will include the period during which Controlled held the stock of Transitory Newco (section 1223(1)).
9. Parent will recognize no gain or loss on the exchange of Sub 2 common stock solely for Controlled Class B common stock (section 354(a)(1)).
10. Parent's aggregate basis in the Controlled Class B common stock received in the transaction will equal the aggregate basis of the Sub 2 common stock exchanged therefor (section 358(a)(1)).
11. Parent's holding period for the Controlled Class B common stock received in the transaction will include the holding period in the Sub 2 common stock exchanged therefor, provided the Sub 2 common stock is a capital asset in Parent's hands on the date of the exchange (section 1223(1)).
12. The Sub 2 Reorganization will not cause the consolidated net operating loss carryovers of the Sub 2 Group to be subject to the separate return limitation year provisions of Reg. §1.1502-21(c).
13. Parent will not take gain or loss into account pursuant to section 897(a)(1) (section 897(e) and Reg. §1.897-6T(a)(1)).

The Controlled Contribution and Distribution 1

1. The Controlled Contribution followed by Distribution 1 will be a reorganization within the meaning of sections 368(a)(1)(D) and 355. Distributing 1 and Controlled will each be “a party to a reorganization” under section 368(b).
2. Distributing 1 will recognize no gain or loss in the Controlled Contribution (section 361(a) and 357(a)).
3. Controlled will recognize no gain or loss in the Controlled Contribution (section 1032(a)).
4. Controlled’s basis in each asset received in the Controlled Contribution will be equal to the basis of the asset in the hands of Distributing 1 immediately prior to its transfer (section 362(b)).
5. Controlled’s holding period in each asset received in the Controlled Contribution will include the period during which Distributing 1 held the asset (section 1223(2)).
6. The aggregate adjusted basis of the Controlled Class A shares received by Distributing 1 in the Controlled Contribution will equal the aggregate adjusted basis of the Sub 5, Subs 12-15, and Sub 2 (kk shares) shares in the hands of Distributing 1 immediately before the Controlled Contribution (section 358(a)).
7. Distributing 1 will recognize no gain or loss on the distribution of the Controlled Class A shares in Distribution 1 (section 361(c)(1)).
8. Neither Distributing 2 nor Parent will recognize gain or loss, and otherwise will include no amount in income, upon their receipt solely of the Controlled Class A shares in Distribution 1 (section 355(a); section 356). The receipt of cash by Parent equal to oo% of the value of the Controlled Class A stock will be treated as a distribution of property to which section 301 applies (section 356(b); section 1.356-2(a)).
9. The aggregate basis of the stock of Distributing 1 and Controlled Class A shares in the hands of each of Distributing 2 and Parent respectively immediately after Distribution 1 will equal Distributing 2’s and Parent’s respective aggregate basis in the Distributing 1 stock held immediately before Distribution 1, decreased by the amount of cash received by such shareholder in Distribution 1 and increased by the amount of such cash treated as a dividend to such shareholder (sections 358(a)(1) and 358(c)). The aggregate basis will be allocated with respect to each such shareholder between the Distributing stock and the Controlled Class A stock held by such shareholder in proportion to the fair market value of such Distributing stock and Controlled Class A stock in accordance with Reg. §1.358-2(a)(2) (section 358(a)(1), (b)).

10. Distributing 2's and Parent's respective holding periods in the Controlled Class A shares received in Distribution 1 will include Distributing 2's and Parent's respective holding periods in Distributing 1 stock with respect to which Distribution 1 is made, provided that the Distributing 1 stock with respect to which such distribution is made is held as a capital asset in the hands of such distributee on the date of Distribution 1 (section 1223(1)).
11. Earnings and profits of Distributing 1 (if any) will be allocated between Distributing 1 and Controlled in accordance with section 312(h) and Reg. §§1.312-10(a) and 1.1502-33(e)(3).
12. Parent will not take gain or loss into account pursuant to section 897(a)(1) (section 897(e) and Reg. §§1.897-6T(a)(1) and (4)).

Distribution 2

1. Distributing 2 will recognize no gain or loss on its distribution of all its Controlled Class A Shares to Parent (section 355(c)). Section 367(e)(1) will not alter this conclusion as to the distribution of Class A Shares to Parent because Controlled is a domestic corporation (Reg. §1.367(e)-1(c)).
2. Parent will recognize no gain or loss on the receipt of Controlled Class A shares in Distribution 2 (section 355(a)(1)).
3. The aggregate basis of the stock of Distributing 2 and Controlled Class A shares received in Distribution 2 in the hands of Parent immediately after Distribution 2 will equal Parent's aggregate basis in the Distributing 2 stock held immediately before Distribution 2, allocated between the Distributing 2 stock and such Controlled Class A stock in proportion to the fair market value of each in accordance with Reg. §1.358-2(a)(2) (section 358(a)(1), (b)).
4. The holding period for the Controlled Class A shares distributed to Parent in Distribution 2 will include the period during which Parent has held its Distributing 2 shares (section 1223(1)).
5. Earnings and profits will be allocated between Distributing 2 and Controlled in accordance with the rules set forth in section 312(h)(1) and Reg. §§1.312-10(b) and 1.1502-33(e)(3).
6. Parent will not take gain or loss into account pursuant to section 897(a)(1) (section 897(e) and Reg. §§1.897-6T(a)(1) and (4)).

Foreign Sub 2 Contribution

1. The Foreign Sub 2 Contribution will qualify as a transaction described in section 351 (section 351).

2. Parent will recognize no gain or loss on the transfer of the Controlled Class A and Class B shares to Foreign Sub 2 in exchange for Foreign Sub 2 stock in the Foreign Sub 2 Contribution (section 351(a)).
3. Foreign Sub 2 will recognize no gain or loss on its receipt of the Controlled Class A and Class B Shares from Parent in exchange for Foreign Sub 2 stock (section 1032).
4. Parent's basis in the Foreign Sub 2 stock received in the Foreign Sub 2 Contribution will equal Parent's basis in the Controlled Class A and Class B shares immediately before the Foreign Sub 2 Contribution (section 358(a)).
5. Parent's holding period in the Foreign Sub 2 stock will include the holding period during which Parent held the Controlled Class A and Class B stock, provided that such Controlled Class A and Class B shares were capital assets or assets described in section 1231 (section 1223(1)).
6. Foreign Sub 2's basis in the Controlled Class A and Class B shares received in the Foreign Sub 2 Contribution will equal Parent's basis in such shares immediately before the exchange (section 362(a)).
7. Foreign Sub 2's holding period in the Controlled Class A and Class B shares received in the exchange will include the holding period during which Parent has held such shares (section 1223(2)).
8. Parent will not take gain or loss into account pursuant to section 897(a)(1) (section 897(e), Reg. §1.897-6T(b)(1) and Notice 2006-46, 2006-1 C.B. 1044).

CAVEAT

Except as specifically ruled above, no opinion is expressed concerning the federal income tax consequences of the transactions described above, including:

1. The adjustments to earnings and profits or deficits in earnings and profits, if any, in any of the transactions to which sections 367(a) or (b) apply;
2. To the extent not otherwise specifically ruled upon above, any other consequences under section 367 on any internal restructuring transaction in this ruling letter;
3. Foreign Sub 3's election to be treated as an entity disregarded from Parent for U.S. federal tax purposes; and
4. Whether Distribution 1 or Distribution 2 satisfies the business purpose requirement of section 1.355-2(b); whether Distribution 1 or Distribution 2 is being used principally as a device for the distribution of earnings and profits of Distributing 1,

Distributing 2, or Controlled (see section 355(a)(1)(B) and section 1.355-2(d)); and whether Distribution 1 or Distribution 2 and an acquisition are part of a plan (or series of related transactions) under section 355(e)(2)(A)(ii).

PROCEDURAL STATEMENTS

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Stephen P. Fattman

Stephen P. Fattman
Special Counsel to the Associate Chief Counsel
(Corporate)
(Office of Associate Chief Counsel (Corporate))